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Bank Depositors' Guaranty Funds. Oklahoma, Kansas, and Nebraska now provide for the guaranty of bank deposits and the legislatures in New York, Wisconsin, and a number of other States have the plan under consideration. In Oklahoma a law for this purpose was enacted in 1907 (laws, 1907-8, c. 6). Kansas and Nebraska have recently adopted similar enactments. The three laws, however, differ materially in details.

In Oklahoma and Nebraska participation of all State banks is compulsory. In Kansas participation is voluntary, and provision is made for retiring as well as entering. Oklahoma and Kansas provide for the voluntary participation of national banks within their borders. But the rulings of the federal authorities render this feature inoperative.

In Oklahoma the guaranty fund is provided by an assessment upon each bank of 1 per cent of its average daily deposits, not otherwise secured. This fund is to be annually readjusted to the average deposits, and when drawn upon is to be replenished by special assessments prorated to each bank in accordance with its deposits. Newly organized banks are to be assessed 3 per cent of their capital the first year.

In Nebraska banks are to raise the guaranty fund by four instalments, each one-fourth of 1 per cent of their average daily deposits not otherwise secured, the fourth instalment being due the 1st of January, 1911. Banks organized after the enactment of the law are to pay not less than 1 per cent of their average daily deposits for the first year after organization. After the initial payments the guaranty fund is to be maintained by semi-annual assessments, against the capital stock of each bank, equal in amount to one-twentieth of 1 per cent of the average daily deposits. Each bank is to retain the share of the guaranty fund assessed against it, subject, however, to drafts upon it by the state banking board. After the first of January, 1910, the aggregate fund for all banks is to be maintained at not less than 1 per cent of the aggregate daily deposits, by special assessments when necessary, based upon average daily deposits. When required for the immediate payment of depositors, special assessments may be levied for an amount not exceeding one per cent in any one year.

In Kansas, as a pledge of good faith, assenting banks are required to deposit with the State treasurer federal, Kansas, or local bonds to the amount of \$500 for every \$100,000 or fraction thereof of deposits eligible for guaranty, less capital and surplus. These bonds are not to be charged out of the bank's assets, but are to be carried among the assets under the title Guaranty Fund with State Treasurer. Coupons are to

be sent by the treasurer to the depositing banks thirty days before maturity. Each bank is to pay annually in cash to the bank depositors' guaranty fund one-twentieth of 1 per cent of its average deposits eligible to guaranty, after deducting capital and surplus, till the fund aggregates \$500,000. The bank commissioner is to levy additional assessments to maintain the fund, but not more than five assessments of one-twentieth of 1 per cent shall be levied in any one year. The fund is to be deposited in State depository banks, and credited with interest. The Kansas law makes careful provision as to the deposits eligible for guaranty. Not only are deposits otherwise protected excluded as in Oklahoma and Nebraska, but guaranty is extended only to non-interest bearing deposits, and to such time certificates and savings accounts as allow not more than 3 per cent interest. Moreover, guaranted certificates are not to receive any interest if paid before maturity, nor guaranteed savings account deposits if withdrawn before the first of January or the first of July.

In case of insolvency of any bank in Oklahoma, depositors are to be paid in full out of available cash as far as possible, the remainder to be drawn from the guaranty fund, and from additional assessments if necessary. The State has first lien upon all assets and obligations of stockholders on behalf of the guaranty fund.

In Kansas, when any bank becomes insolvent, depositors are to receive certificates bearing 6 per cent or the contract rate of interest, but whenever any dividend becomes payable interest upon it is to cease. After realizing upon assets and the double liability of stockholders, the bank commissioner shall pay off the balance due guaranteed depositors by drawing upon the guaranty fund. If, after five assessments in a single year, there shall not be sufficient to pay depositors, they shall be paid pro rata, and their remaining claims suspended till the next year.

In Nebraska, if the cash is not sufficient to repay depositors, drafts are to be prorated upon the solvent banks in accordance with the amounts of their holdings of the guaranty fund, and the fund succeeds to the claims of the depositors repaid.

All three laws provide for examinations and penalties in order to secure their faithful observance. None authorizes a bank to advertise that its deposits are guaranteed by the State, but banks may advertise that deposits are guaranteed by the State depositors' guaranty fund.

WILLIAM H. PRICE.

Education—Executive Department of. A bill (S. 7228) to create an executive department of education was introduced by Senator Stephen-